ER-5-4964A

29 April 1954

MEMORANDUM FOR: Deputy Director (Intelligence)

SUBJECT   :   Preparation and Use of Financial Appendices in Con-
                     nection with Policy Recommendations by the Nation-
                     al Security Council.

1. A review has been made of the draft statement on the above
subject.

2. It is my understanding that all CIA estimated costs in con-
nection with a proposed policy in the past have been excluded under
the provisions of Section (a), paragraph 1. It is recommended that
this procedure be continued without specifically being made a matter
of record. If at any time it is necessary to include CIA estimated
costs such estimates should be buried in other estimates when dissem-
inated outside of the National Security Council proper so as not to
be identifiable with the Agency.

3. It is considered advisable in all cases for a cost annex to
be prepared for the personal use of the Director or other Agency offi-
cial in connection with the discussions of the proposed NSC papers in-
volving CIA. In view of the possible implications of these proposed
NSC policies as they relate to the Agency budget, it is believed that
responsibility for the preparation of such estimates should be cen-
tered in the Office of the Comptroller and that the Director should be
advised as to the possible financing of them prior to consideration by
the National Security Council.

4. The actual form of the tables supporting the estimated costs
of the proposed policies might require some revision and clarification
before the tables could be used by this Agency. Since these estimates
are supposed to be concerned with the general level of magnitude rather
than as precise estimates, it is believed that "Table I, Expenditures
by Program" would give the necessary information involved in consider-
ing the majority of the proposed policies.

5. The Comptroller will be glad to supply any additional infor-
mation or assistance which you desire.

/s/

L. K. WHITE
Acting Deputy Director
(Administration)

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